

## Message Text

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ORIGIN EB-07

INFO OCT-01 EUR-12 ISO-00 SP-02 USIA-06 AID-05 NSC-05  
EPG-02 TRSE-00 SS-15 STR-04 OMB-01 CEA-01 CIAE-00  
COME-00 FRB-03 INR-07 NSAE-00 XMB-02 OPIC-03  
LAB-04 SIL-01 IGA-02 PA-01 PRS-01 /085 R

DRAFTED BY EB:PHBOEKER:JB  
APPROVED BY EB - MR. BOEKER  
-----180928Z 128610 /21  
R 180224Z JUN 77  
FM SECSTATE WASHDC  
TO AMEMBASSY PARIS

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E.O. 11652:N.A.

TAGS: EFIN, PO, FR

SUBJECT: FINANCIAL ASSISTANCE TO PORTUGAL

1. FRENCH MINISTRY OF FINANCE (DELAROSIERE)  
TOLD TREASURY UNDER SECRETARY SOLOMON THAT GOF WOULD BE  
WILLING TO PROVIDE \$10 MILLION TO PORTUGAL AS THEIR PAR-  
TICIPATION IN THE COORDINATED EFFORT TO PROVIDE MEDIUM-  
TERM BALANCE OF PAYMENTS ASSISTANCE TO PORTUGAL. THE  
FRENCH INDICATED THEY INTEND TO USE COFACE MECHANISM  
BUT ON LONGER-TERMS THAN USUAL. TREASURY SECRETARY  
BLUMENTHAL PLANS TO RAISE AMOUNT OF FRENCH CONTRIBU-  
TION WITH FRENCH MINISTER OF FINANCE AT OECD MINISTERIAL  
MEETING JUNE 23-24. YOU SHOULD THEREFORE NOT GIVE GOF  
ANY INDICATION AT THIS TIME THAT \$10 MILLION IS VIEWED  
BY US AS APPROPRIATE LEVEL FOR FRENCH CONTRIBUTION.

2. WE WOULD HOWEVER APPRECIATE EMBASSY RAISING WITH  
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GOF THE QUESTION OF THE APPARENTLY TIED NATURE OF THE  
CONTEMPLATED CREDIT OR GUARANTEE. WE CONTEMPLATE CON-  
SIDERABLE SUCCESS IN GETTING OTHER DONOR COUNTRIES TO  
PROVIDE UNTIED BALANCE OF PAYMENTS SUPPORT TO PORTUGAL.  
IT WOULD THEREFORE BE MOST UNFORTUNATE IF AN EFFECTIVELY  
TIED FRENCH CONTRIBUTION WERE PRETEXT FOR OTHERS TO TIE  
THEIR CONTRIBUTIONS. THIS PROBLEM OF EMULATION IS PAR-

TICULARLY IMPORTANT WITH JAPANESE WHO ARE STILL CONTEM-  
PLATING NATURE OF THEIR CREDIT. WE WOULD THEREFORE  
APPRECIATE GOF EFFORTS TO HANDLE THEIR PARTICIPATION SO  
THAT IT CAN BE PRESENTED AS EFFECTIVELY UNTIED. THIS  
OBJECTIVE COULD BE ACHIEVED IF THE FRENCH MADE THEIR  
CREDIT AVAILABLE FOR A BROAD SEGMENT OF COMMODITY IMPORTS  
FROM FRANCE. IT WOULD BE OBVIOUSLY EVEN BETTER IF THE  
FRENCH COULD FIND A WAY TO PROVIDE UNTIED FINANCING, BUT  
WE WOULD HOPE AT JUNE 22 MEETING FRENCH WOULD BE ABLE TO  
PRESENT THEIR CREDIT AS EFFECTIVELY UNTIED AND CLEARLY  
NOT A PROJECT TYPE CREDIT.

3. WE DO NOT WISH THE FRENCH TO SPECIFY THE AMOUNT OF  
THEIR CONTRIBUTION AT THE JUNE 22 MEETING BUT WE HOPE  
THEY COULD SAY CLEARLY THAT THEY HAVE MADE A POLITICAL  
DECISION TO PARTICIPATE AND THAT THEIR PARTICIPATION WOULD  
BE BALANCE OF PAYMENTS TYPE ASSISTANCE OR EFFECTIVELY UN-  
TIED COMMODITY IMPORT FINANCING. VANCE

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## Message Attributes

**Automatic Decaptioning:** X  
**Capture Date:** 01-Jan-1994 12:00:00 am  
**Channel Indicators:** n/a  
**Current Classification:** UNCLASSIFIED  
**Concepts:** POLICIES, FUND ALLOTMENT, FOREIGN ASSISTANCE  
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**Disposition Approved on Date:**  
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**Disposition Comment:** 25 YEAR REVIEW  
**Disposition Date:** 22 May 2009  
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**Disposition Remarks:**  
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**Document Unique ID:** 00  
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**Enclosure:** n/a  
**Executive Order:** N/A  
**Errors:** N/A  
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**Office:** ORIGIN EB  
**Original Classification:** LIMITED OFFICIAL USE  
**Original Handling Restrictions:** n/a  
**Original Previous Classification:** n/a  
**Original Previous Handling Restrictions:** n/a  
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**Review Release Event:** n/a  
**Review Transfer Date:**  
**Review Withdrawn Fields:** n/a  
**SAS ID:** 2103476  
**Secure:** OPEN  
**Status:** NATIVE  
**Subject:** FINANCIAL ASSISTANCE TO PORTUGAL  
**TAGS:** EFIN, PO, FR  
**To:** PARIS  
**Type:** TE  
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**Review Markings:**  
Margaret P. Grafeld  
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